

ARIZONA HOUSE OF REPRESENTATIVES
Forty-eighth Legislature - Second Regular Session

MAJORITY CAUCUS CALENDAR

June 10, 2008

- from BLUE SHEET #17: **HB2286**, school district boards; training (now: taxing jurisdiction; judgment; repayment) (Tobin)
- Free Conference Committee Report on **SB1412**, biological evidence; retention

Bill Number	Short Title	Committee	Date	Action	
Committee on Appropriations					
<u>SB 1110</u>	funds; elimination; transfer				
SPONSOR:	BURNS	APPROP	4/16	DPA	(8-4-0-5-0)
<u>SB 1235</u>	state expenditures; searchable database; transparency				
SPONSOR:	O'HALLERAN	APPROP	3/26	DPA	(14-0-0-3-0)
Committee on Education (K-12)					
<u>SB 1281</u>	common school districts; grade nine				
SPONSOR:	HUPPENTHAL	ED	3/26	DPA ON RECON	(6-4-0-0-0)



HOUSE OF REPRESENTATIVES

SB 1110

funds; elimination; transfer

Sponsor: Senator Burns

DPA Committee on Appropriations

X Caucus and COW

House Engrossed

Senate Bill 1110 requires the Arizona Department of Administration (ADOA) to eliminate 66 inactive state funds, and also requires the revision of fees for self-supporting agencies.

History

A.R.S. § 41-1273 requires the Joint Legislative Budget Committee (JLBC), by November 1 of each odd-numbered year, to make recommendations on the elimination or consolidation of not more than 7 percent of the total number of state funds, and the conversion to appropriated status of no more than 7 percent of the dollar value of all state nonappropriated funds.

The 2007 JLBC State Funds Report found approximately 775 separate funds in the ADOA accounting system. As a result, the JLBC is required to recommend the elimination or consolidation of no more than 54 funds. The ADOA additionally listed 16 funds as "inactive." Based on this information, 66 funds may be eliminated.

Self-supporting state agencies do not receive monies from the General Fund, but are authorized to assess fees for the services they provide. The majority of self-supporting agencies are required to deposit 10 percent of their revenues into the state General Fund, using the remaining 90 percent to carry out their regulatory responsibilities. Unless otherwise provided by law, self-supporting regulatory agencies shall not expend more monies in a fiscal year than are appropriated by the legislature.

Some self-supporting state agencies are currently required to revise their fee schedules each year so that the revenue received from fees is at least 95 percent, but not greater than 110 percent of their anticipated appropriated budget for the subsequent fiscal year. When revenues exceed the 110 percent threshold, these agencies are required to lower their fees in proportion to the excess monies received.

Provisions

- Requires self-supporting agencies that satisfy certain conditions to revise their fees on a uniform percentage basis, so that the expected yearly future revenues derived from those fees make up at least 95 percent but no more than 110 percent of their appropriated budgets for the current fiscal year.
- Specifies that revised fee schedules become effective July 1 of the subsequent fiscal year.

SB 1110

- Eliminates inactive state funds and repeals corresponding statutory language as follows:

Budget Unit	Fund Title
Department of Administration	Electronic Commerce
	Lease Purchase Building Operating and Maintenance
	Technology and Telecommunications
Department of Agriculture	Capital Outlay Stabilization
	Hay Law
	Organic Food Certification
	Intergovernmental Agreement and Interagency Service Agreement
Arizona Health Care Cost Containment System	Premium Sharing
	Long Term Care Reinsurance
	County Contribution
	Medically Needy Medically Indigent
	Health Plan Performance Bond
Department of Commerce	Arizona Clear Air
	Housing Finance Review
	Housing Trust
	Housing Development
	Arizona Neighborhood Preservation
	Export Promotion
	Hydrogen Grant
Arizona Criminal Justice Commission	Administrative Narcotic Assistance
Department of Economic Security	DES Accumulator
	Jobs Training Partnership Act Wire Transfer
	Certificate of Participation
	Extraordinary Special Education Needs
	Full-day Kindergarten
Arizona Game and Fish Department	Wildlife Habitat Restoration and Enhancement
Arizona Geological Survey	Geological Survey
Department of Health Services	Tobacco Tax and Healthcare Fund (TT and HCF)
	Grants to Community Health Centers
	TT and HCF Pilot Programs Providing Detoxification
	TT and HCF Telemedicine Pilot Program
	TT and HCF Renal Disease and Related Problem
	TT and HCF Evaluation Program
	Rural Capital Projects
	Programs to Provide Education or Information on Health Issues
	AIDS Reporting and Treatment
	Non-Renal Organ Transplant Operations
	Emergency Vaccines
	Trichloroethylene (TCE) Contamination
	Disease Control Research Commission
	Severely Mentally Ill State Match Title XIX – Tobacco
	Title XIX Reimbursements 92-93

	DHS Sanitariums
	Building Renewal
	DHS Agreement
	Rural Area Kidney Dialysis Escrow
	Parental Care Education
	Spinal and Head Injuries Trust
	Medical Services Stabilization
	Arizona State Hospital Patient Benefit
	Arizona State Hospital Enterprise
Judiciary	Local Courts Assistance
	Intergovernmental Agreement and Interagency Service Agreement
	Court of Appeals Collection Enhancement
Arizona State Lottery	Lottery Settlement
Arizona State Retirement System	Arizona State Retirement System
School Facilities Board	School Capital Equity
	School Facilities Capital Reserve
	Lease-to-Own
Office of Tourism	Tourism Workshop
State Treasurer	Arizona Arts Endowment Nonexpenditure Trust
	Administrative Forest Reserve
Universities	
Arizona Board of Regents	Teacher Loan Forgiveness
Northern Arizona University	NAU Collections – Local
University of Arizona	UA Local Payroll Clearing
Department of Water Resources	Administrative Refund
	State Water Storage

- Reverts any unspent and unencumbered monies in repealed and eliminated funds to the state General Fund.
- Makes other technical and conforming changes.

Amendments

Appropriations

- Removes conforming language relating to the elimination of the SFB lease-to-own fund. (The fund is not eliminated under this bill)



HOUSE OF REPRESENTATIVES

SB 1235

state expenditures; searchable database; transparency

Sponsors: Senator O'Halleran, Representatives Mason, Tobin

DPA Committee on Appropriations

X Caucus and COW

House Engrossed

SB 1235 requires the Arizona Department of Administration (ADOA) to establish and maintain an official state internet website that contains a comprehensive database of state contracts.

History

In 2006 Congress passed and President Bush signed the Federal Funding Accountability and Transparency Act (FFATA). The act requires the Office of Management and Budget to develop and maintain a free and public searchable website that contains data on all federal contracts and grants. The website, www.federspending.gov (also accessed at www.usaspending.gov), went online in January 2008 and is scheduled to expand in October 2008 to include credit card transactions. In January 2009 it is scheduled to include all subcontracts and subgrants. In 2007 Kansas was the first state to sign into law legislation creating a similar database. Other states that passed similar legislation are Hawaii, Minnesota, Missouri, Texas and Oklahoma.

Provisions

- Requires ADOA to establish and maintain an official internet website by January 1, 2013 that contains a comprehensive database of contracts between all state budget units and private providers of goods and services.
- Requires ADOA to present the information in the database in a manner that is intuitive to the general public.
- Requires the database to allow users to:
 - Search and aggregate contracts by individual budget units, programs, and individual contractors.
 - Download information yielded by a database search.
- With respect to individual contracts, the database must include the following:
 - The manner of payment, including check, warrant, or credit, debit, or other purchase card.
 - The funding source, including categorical codes and the state accounts the expenditure is appropriated from.
 - A standardized descriptive title of the type and purpose of the transaction.
 - The date and amount of each payment.
 - The budget unit making the payment.

- The name of the contractor receiving the payment, including a parent entity of the recipient if the recipient is owned by another entity.
- The primary location of performance under the contract, including the county, city or town and legislative district.
- Restricts the database from containing confidential information related to individuals, including taxpayer information, payments of state assistance to individuals, payees' addresses or telephone numbers, work product in anticipation of litigation or subject to attorney-client privilege, and any other information designated by law as confidential.
- Allows ADOA to rely on a budget unit's determination regarding confidentiality and immunizes ADOA from civil liability for posting confidential information if the posting is in reliance on the budget unit's determination relating to confidentiality.
- Requires each budget unit to cooperate with ADOA and provide to the State Treasurer by July 1, 2008, expenditure and revenue data in a manner and schedule prescribed by the State Treasurer in consultation and cooperation with ADOA.
- Requires the database to be updated within thirty days after the end of each fiscal year.
- Requires the Governor, Secretary of State, State Treasurer, and the Legislature to include a link to the database on their individual official websites, as well as each budget unit that maintains an accessible internet website.
- Requires ADOA to submit a written report on the progress and plans for the full implementation of the database to the Governor, the President of the Senate, and the Speaker of the House of Representatives by September 1, 2009.
- Contains a retroactivity clause to from and after June 30, 2008.

Amendments

Appropriations

- Changes the required implementation date from January 1, 2013 to January 1, 2011.



HOUSE OF REPRESENTATIVES

SB 1281

common school districts; grade nine

Sponsor: Senator Huppenthal

DPA Committee on Education (K-12)

DP Committee on Appropriations

X Caucus and COW

House Engrossed

SB 1281 allows a common school district to offer instruction in grade nine.

History

Arizona Revised Statutes (A.R.S.) § 15-901 defines a *common school district*, also referred to as an elementary school district, as a political subdivision of this state that offers instruction to students in programs for preschool children with disabilities, kindergarten programs, and grades one through eight. A *high school district* is a political subdivision of the state that provides instruction in grades nine through twelve. A *unified school district* refers to a political subdivision of the state that provides instruction in preschool programs for children with disabilities, kindergarten programs, and grades one through twelve.

Currently, A.R.S. § 15-447 allows a common school district, with the permission of the State Board of Education (SBE), to offer instruction in high school subjects. However, SBE cannot grant that permission to a common school district if the voters of the district, within the previous five years, have voted against the formation of a high school district. Additionally, if the voters of the common school district vote against the formation of a high school district within one year of SBE granting permission to the provide high school instruction, the governing board of the common school district must cease such instruction at the end of the current year.

Fiscal Impact

According to the fiscal note prepared by the Joint Legislative Budget Committee (JLBC), the fiscal impact of this bill cannot be determined. The shift of students in grade nine from high school to common school districts is not expected to either increase or decrease Basic State Aid costs. An increase in ninth grade enrollment at a common school district would be offset by a decline in enrollment in high school districts.

Additionally, JLBC estimates that the bill could affect state costs for new school construction by moving ninth grade students to districts with more or less classroom capacity, resulting in either savings or additional spending for new school construction. JLBC suggests that the chance for savings outweighs the chance for additional spending because those schools with excess classroom capacity are more likely to start serving ninth graders as they are in a better position to do so. As a result, the costs for

new school construction would likely decline as students are moved around to fill excess space and relieve overcrowding.

Provisions

- Expands the definition of *common school district* to include a district, upon the affirmative vote of the district's governing board, that offers instruction in grades one through nine.
- Allows a common school district that offers instruction in grade nine to use the weighted student count of pupils in grade nine to:
 - Conduct budget override elections.
 - Determine equalization assistance for the school district.
 - Determine equalization assistance for Career Ladder and Optional Performance Incentive programs if the district currently participates in such programs.
- Prohibits a common school district that offers instruction in grade nine from:
 - Increasing the revenue control limit and district support level for the purpose of growth funding during the current year because of realized growth in the grade nine pupil population.
 - Adjusting the pupil count for the purpose of rapid decline funding because of a decrease in grade nine pupil enrollment.
- Prohibits a union high school district or a unified district from adjusting the pupil count for the purpose of rapid decline funding because of a realized decrease in the grade nine population due to pupils transferring to a common school district that offers instruction in grade nine.
- States that a common school district that provides instruction in grade nine does not need to obtain approval from the School Facilities Board (SFB) in order to reconfigure school facilities within the district.
- Restricts a common school district that provides instruction in grade nine from receiving additional monies from the SFB to educate ninth graders.

Amendments

Education (K-12)

- Expands the definition of *common school district* to include grades one through nine if all of the following occurs in this order:
 - A common school district governing board approves, by vote, to offer instruction to students in grade nine.
 - Students in grade nine receive instruction for two years in a single school in the district.
 - At the end of the two year trial period, instruction in ninth grade may be offered throughout the district if the designated school demonstrated measurable academic gain and a reduction in ninth grade dropout rates compared to other ninth grade students in a coterminous or adjacent union high school or adjacent unified district.